

Governor Sonny Perdue



Egg & Issues Breakfast

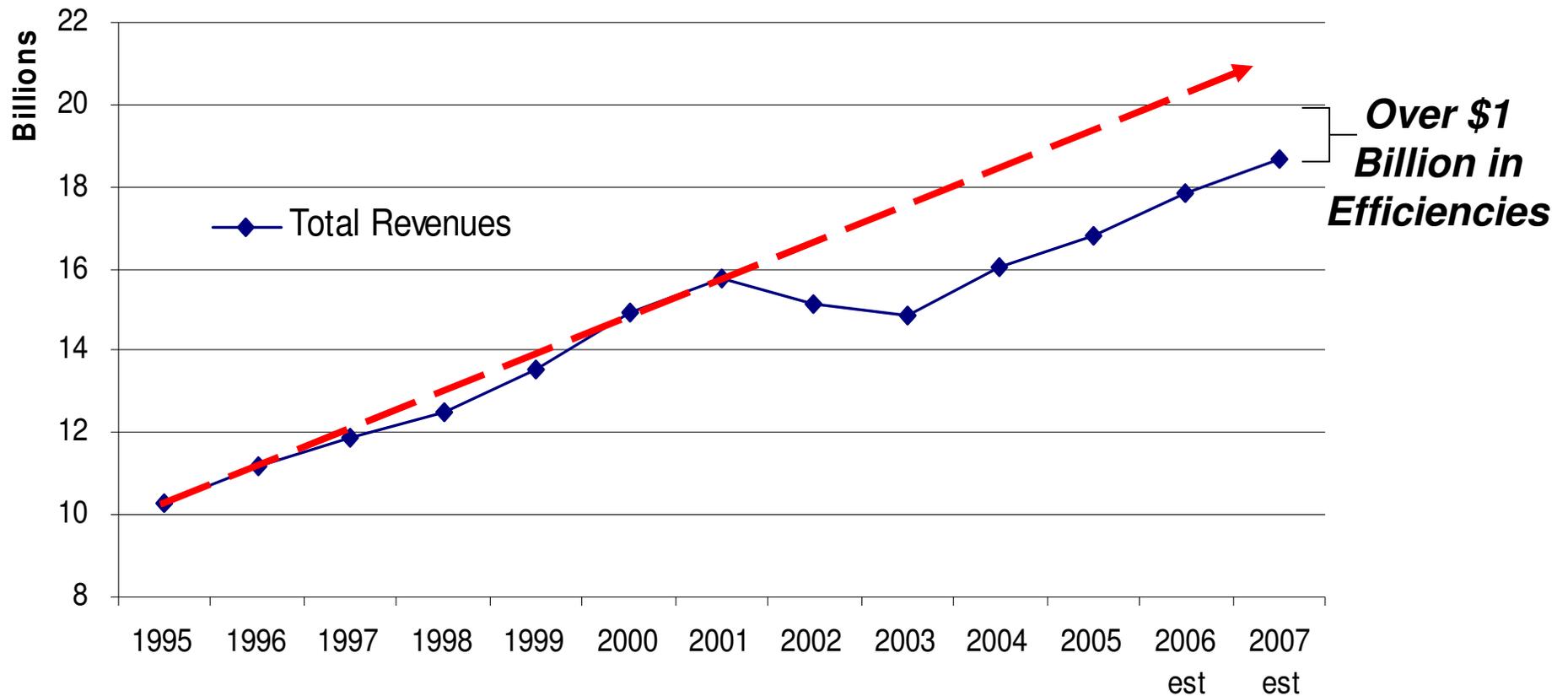
Tuesday
January 10, 2006



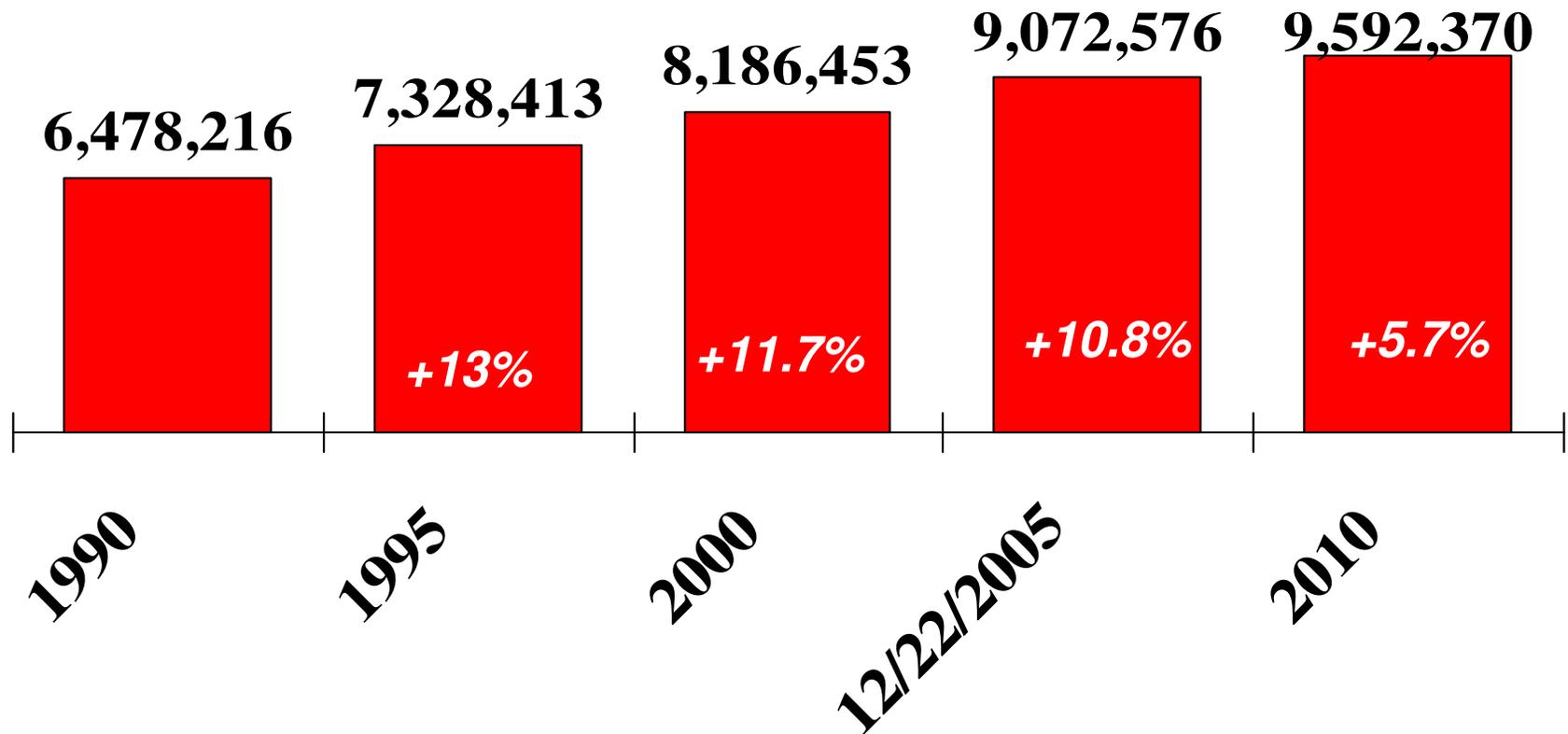
2005 Successes

- **Tort Reform**
- **Corporate Income Tax Reform (Single Factor)**
- **Tax Relief**
 - **Small business tax relief (\$16 million)**
 - **Job tax bonus of \$500 per job for strategic industries (\$4.2 million)**
 - **Gas Tax moratorium (\$77 million)**
- **Tourism**
- **Land Conservation Initiative**
- **Ethics Reform**
- **Rebuilding Reserves (added \$205 million)**

State Revenues 1995-2006



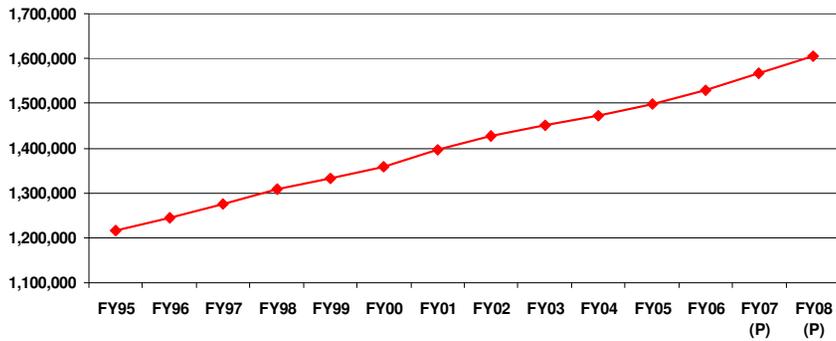
Georgia's Population Growth



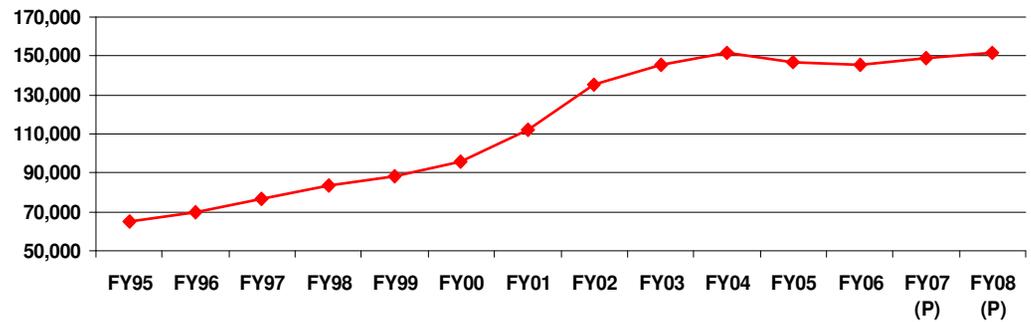
Enrollment Growth



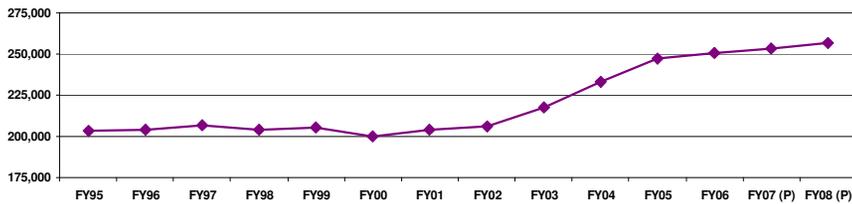
K-12 Enrollment Growth



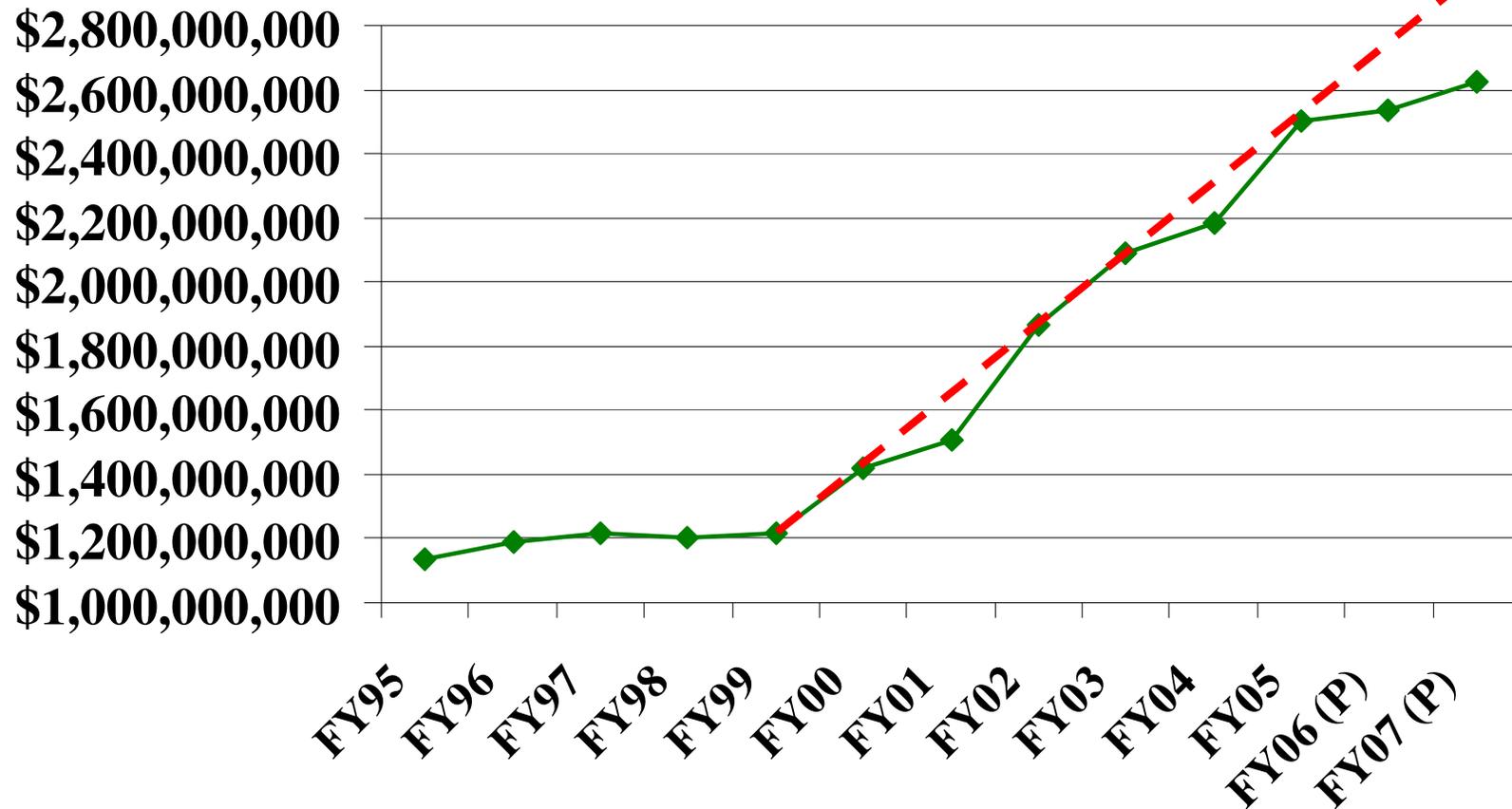
Technical Colleges Enrollment



University System Enrollment



Medicaid Costs



Best Managed Percentage of State Funds Spent



Medicaid Spending

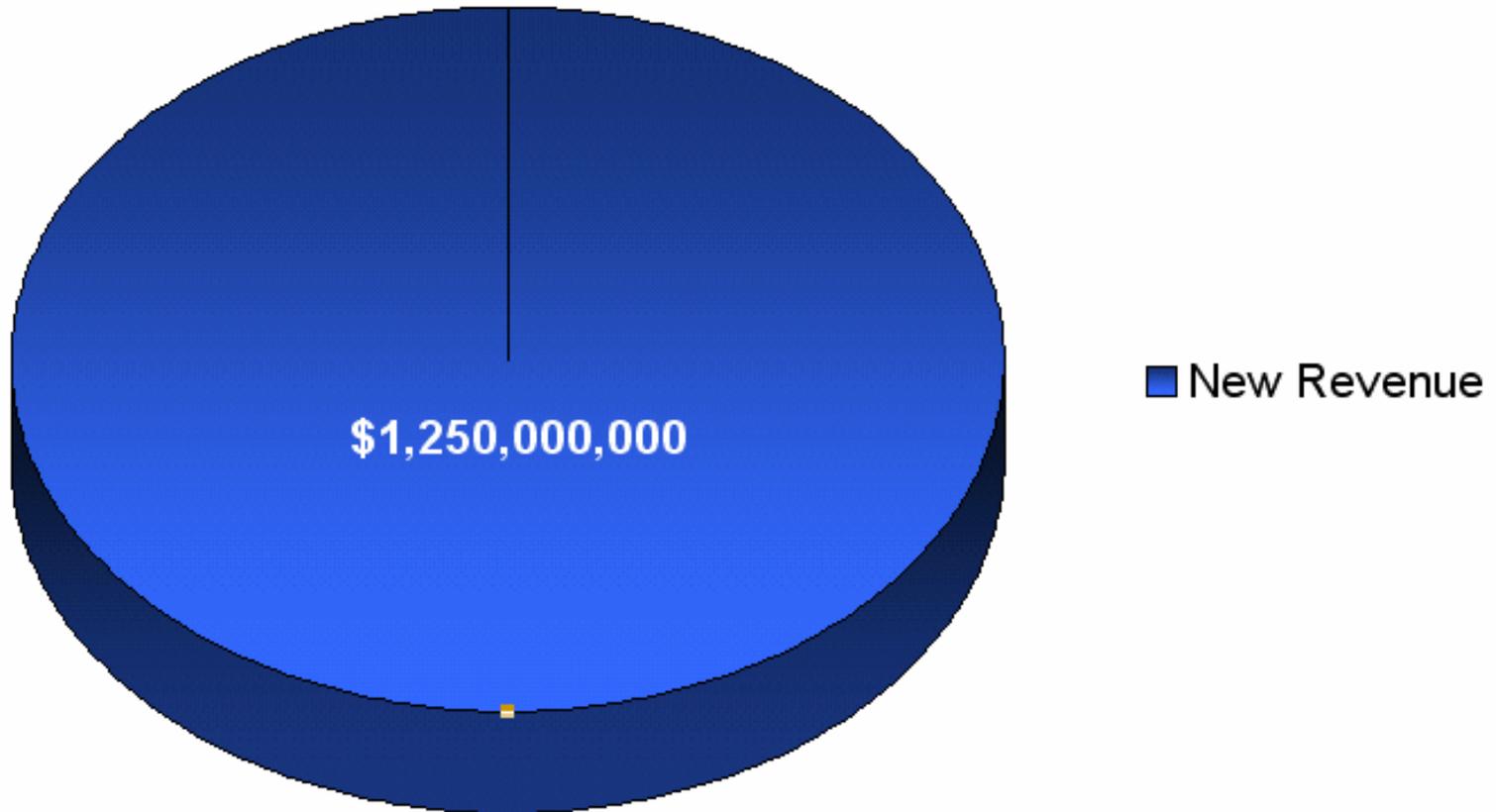
- #1 Tennessee
- #13 North Carolina
- #16 Florida
- #39 Georgia**
- #50 Wyoming

K-12 Spending

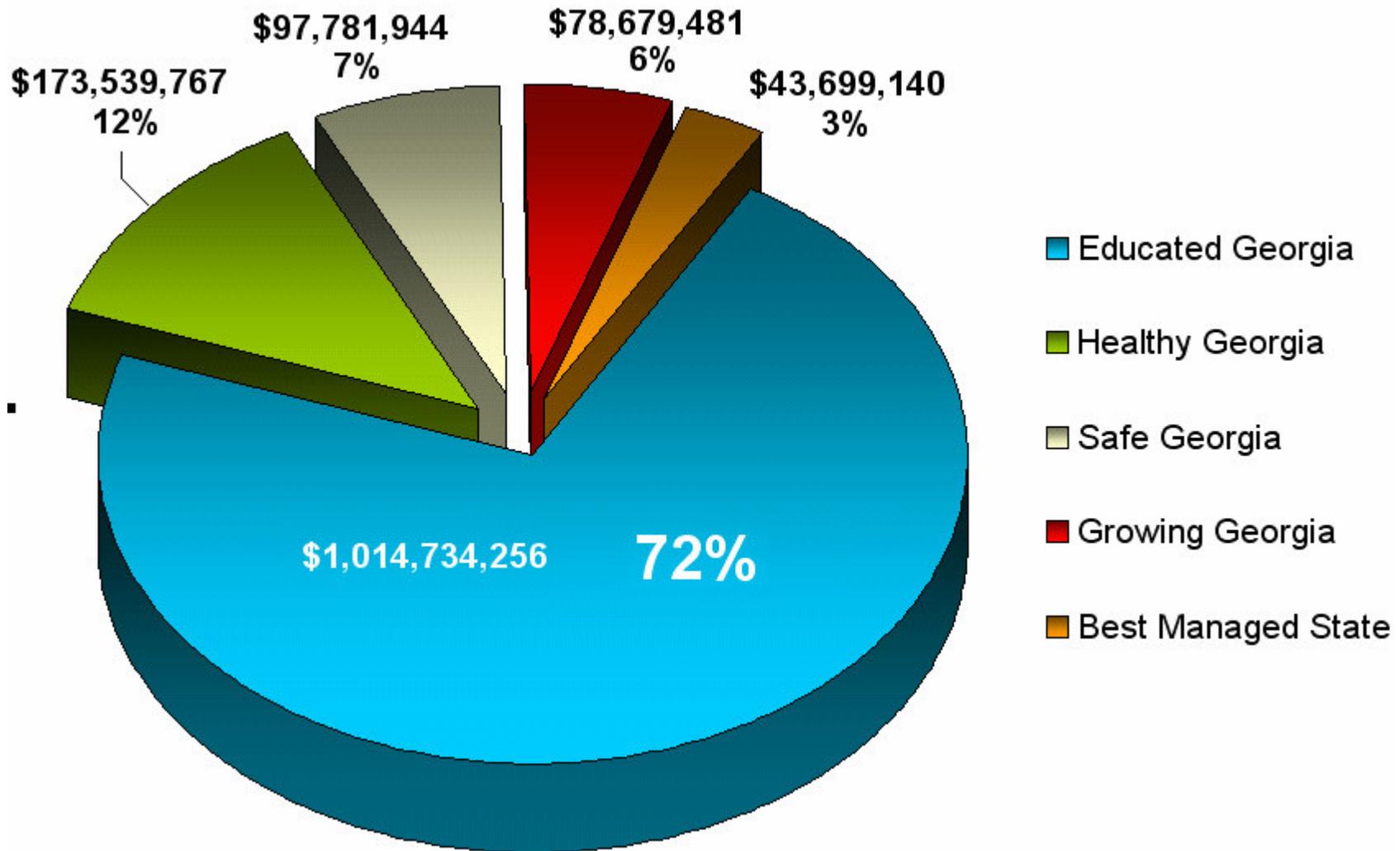
- #1 Vermont
- #6 Georgia**
- #15 North Carolina
- #22 Florida
- #50 West Virginia

SOURCE: 2003 NASBO Survey

FY07 Projected Increase in State Funds



2007 Recommended Expenditure of New Revenues



Our Top Three Priorities



1. Education

2. Education

3. Education



Classroom Focus

65% Rule for Classroom Spending



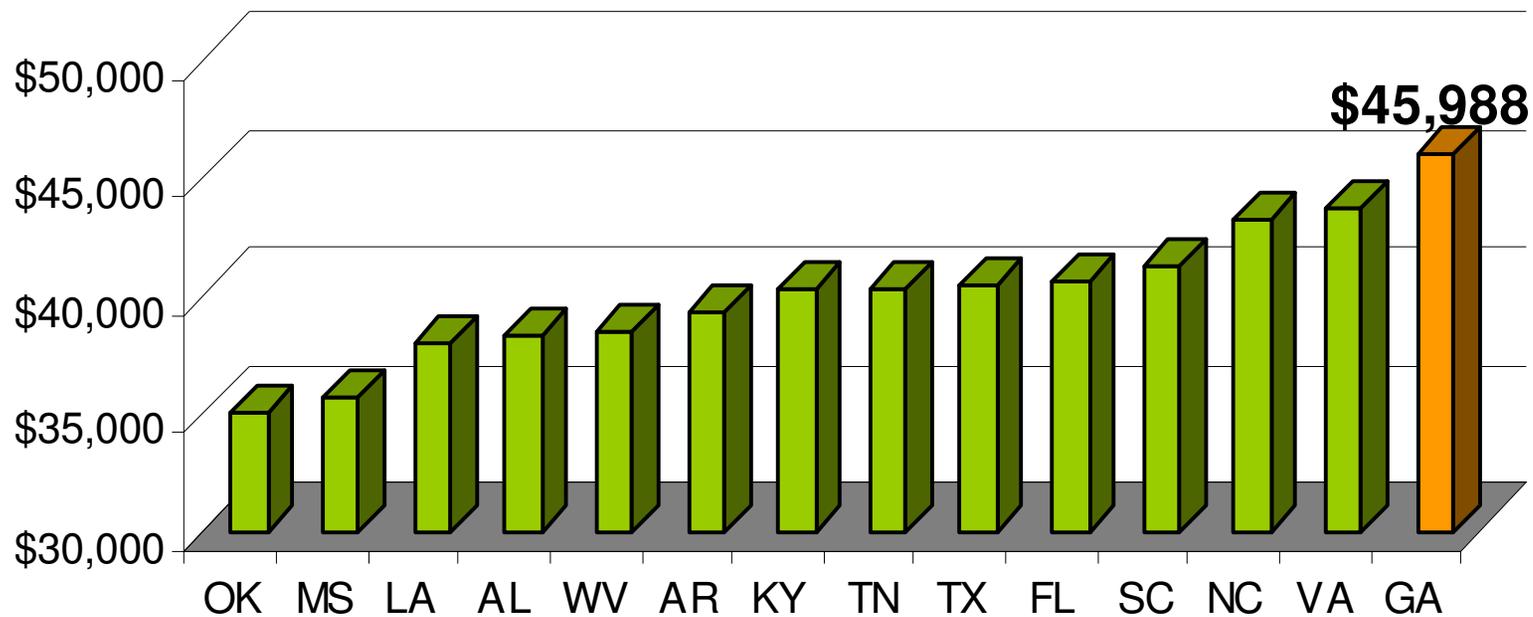
- **Requires that at least 65% of all education dollars be spent in the classroom instead of on administrative overhead.**
- **Systems can increase classroom spending 2% per year until reaching the 65% minimum.**
- **Systems already demonstrating high performance in the classroom can be waived from the minimum.**

Teacher Pay



- **4% pay raise at minimum for all teachers (\$217 million)**
- **Over 50% of all teachers will get a 7% pay raise**
- **State will cover the entire increase of health care costs with no employee premiums. (\$138 million)**

Teacher Salaries in the Southeast



* National Education Association 2003-2004

Truth in Class Size

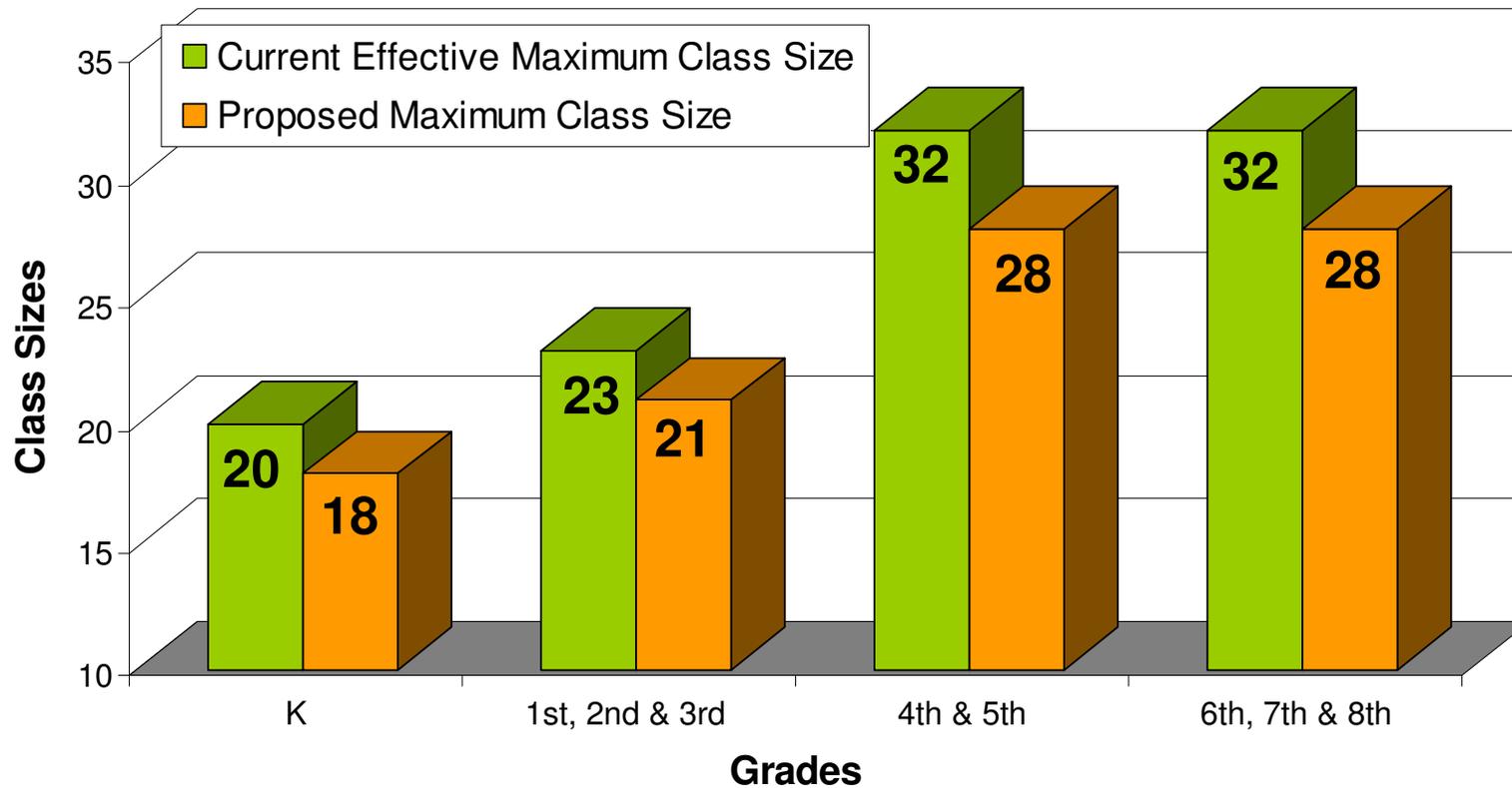


- **Reduce and clarify individual maximum class sizes for grades K-8.**
- **Provide \$163 million in formula funding to cover costs**

Truth in Class Size



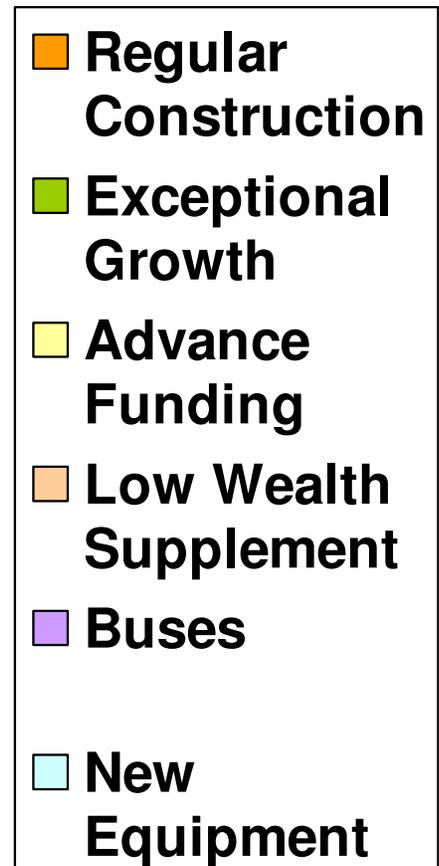
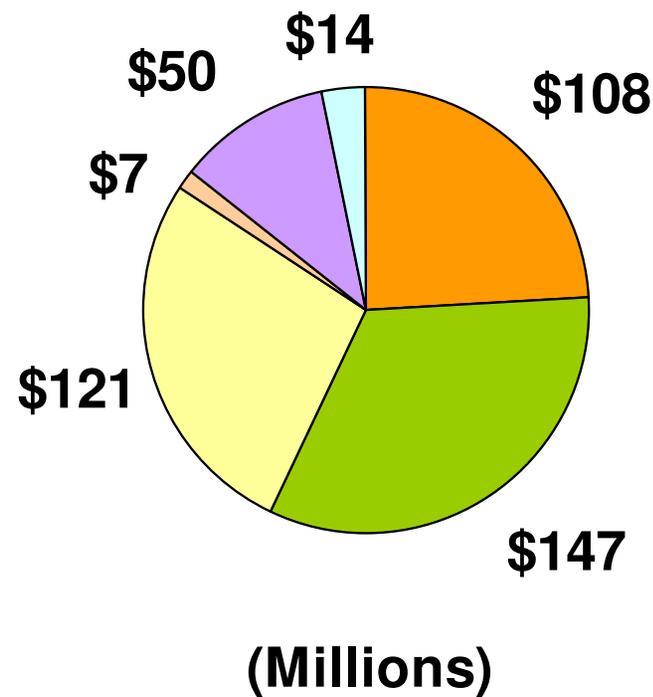
**Truth in Class Size:
Reducing Individual Maximum Class Sizes**



Classroom Construction & Bonds for Buses



- Provide \$447 million in bonds.





Drop Out Prevention

- **High School Completion Counselor for every high school (\$21 million in state funds) to target at-risk students.**
- **Middle school remediation (\$2.3 million) for 6th through 8th grade.**
- **Form a “career interest ladder” with post-secondary schools to help students understand how their classes relate to their future work.**



Protecting HOPE

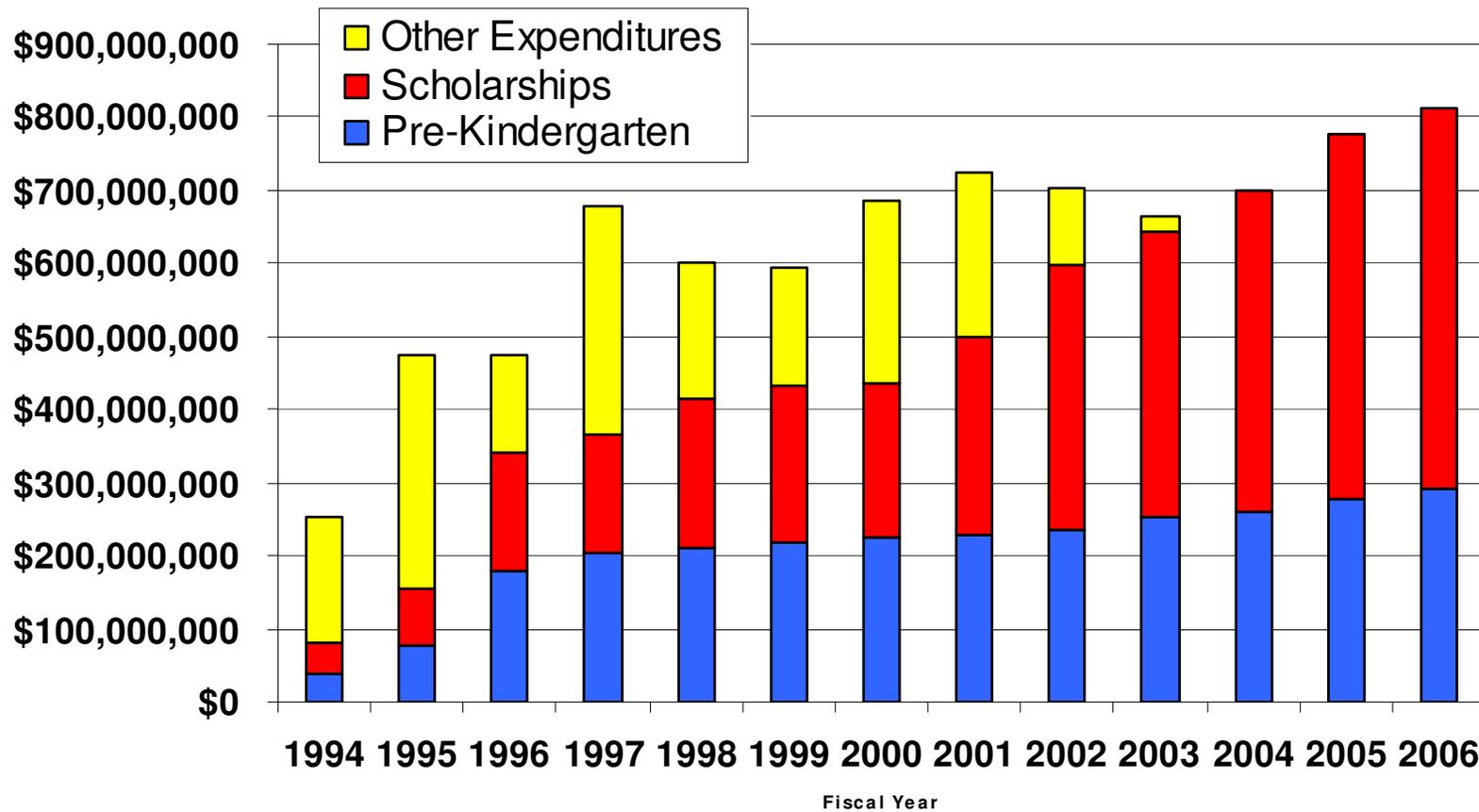
HOPE Chest Constitutional Amendment



- **Constitutional amendment requiring that Lottery funds be used only for HOPE Scholarships and Pre-K.**
- **Saves any excess Lottery revenues for a “rainy day” reserve**
- **Stops spending unrelated to HOPE and Pre-K like the \$1.8 billion spent between 1994 and 2003.**



History of Lottery Expenditures



History of Lottery Expenditures 1994 – 2006 Cumulative Spending



HOPE	\$3,580,432,520
Pre-K	\$2,695,861,466
Other	\$1,866,077,858